

**EFFECTIVE**

August 1, 2008

**SUBJECTS**

Adult Services Manual Policy changes:

1. Standard of Promptness.
2. Agency Updates.
  - Definition.
  - Rate.

**1) STANDARD OF  
PROMPTNESS****ASM 363**

Eligibility must be determined within the 45-day standard of promptness which begins from the time the referral is registered on the computer system. The computer system calculates the 45 days beginning the day after referral date and counting 45 calendar days. If the due date falls on a weekend or a holiday, the due date is the next business day. A referral may be received by phone, mail or in person. Referrals are to be registered on the system in a timely manner.

When a signed DHS-390, Adult Services Application serves as the initial request for services, the registration date must be the date the DHS-390 was received in the local office.

**2) AGENCY  
UPDATES****ASM 363****Agency  
Definition**

Currently, a home help service provider is considered an agency when one of two criteria is met:

- The provider is a Medicaid enrolled home health agency.
- OR
- The provider has a federal tax ID number AND employs or (sub)contracts with two or more persons to provide home help services.

This definition of an agency provider is expanded to include two additional requirements. In order to be considered an agency, a provider must also:

- Pay the employer portion of Federal Insurance Contributions Act (FICA).

Agencies working with independent contractors, instead of hiring employees, must demonstrate that the stated employment status of worker(s) is consistent with IRS regulations that define employee and employer for purposes of employment taxes. Documentation must be verifiable by the Department of Human Services (DHS). This may include signed copies of contractor contracts, 1099 documentation, IRS SS-8 determinations (Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax withholding) and/or copies of the independent contractor's liability insurance.

AND

- Pay the employer share of unemployment insurance.

Agencies that are nonprofit 501(c)(3) organizations, may meet the requirement to pay for unemployment claims in one of two ways:

- Through payment of the state unemployment insurance tax (SUI); OR
- As a reimbursing employer paying the state only for claims paid out to former employees.

In order to meet the definition of an agency, nonprofit organizations that choose to pay unemployment claims as reimbursing employer must demonstrate that they hold a current tax exempted status under section 501 (c)(3) of the Internal Revenue Code.

### **Verification of Agency Status**

The above requirements are applicable to all agency providers. In order to receive the agency rate, agencies must provide verification to the Department of Human Services that all of the above requirements have been met. Verification must be provided at the next case review. The local DHS office will maintain one agency

provider file which must include verification from the necessary agencies.

Verification may include a copy of a cancelled check to the IRS and Unemployment agency or paid statement from IRS and Unemployment agency.

### **Agency Rate for Home Help Services**

Agency rates for reimbursement of home help services will be predicated on the following rules:

1. The maximum agency rate for any county is 200% of the lowest county individual rate in the state at the time of policy implementation. Any county's agency rate that is currently above that amount will be frozen unless a county does not currently have an agency rate. In this circumstance, the agency rate for the county will be established at an amount equal to 170% of the county's individual provider rate.
2. Effective August 1 2008, county agency rates are increased by five percent (or by a lesser amount if the lesser amount achieves the target rate of 170% of the county's individual provider rate) unless the current agency rate is equal to or greater than 170% of the county's individual provider rate. Any agency rates equal to or greater than 170% of the county's new individual provider rate will be frozen until such time that the agency rate is equal to or less than 170% of the county's individual provider rate.
3. The minimum agency rate for any county is 170% of the lowest county individual provider rate in the state.
4. All agency rates are rounded to the nearest quarter (twenty five cents).
5. Any agency rates that do not conform to the policy outlined above, but were approved for an individual client, will remain in effect for that client until that respective agency-client relationship is terminated, or until the above stated policy would result in a higher rate.

**Individual Home  
Help Providers**

**There will be no exceptions granted for deviation from the respective rates resulting from implementation of this policy.**

The agency rates resulting from the establishment of this policy are not applicable to individual home help providers.

**Note:** Refer to Exhibit - Home Help Agency Rates for the listing of agency rates by county.

**EXHIBIT - HOME  
HELP AGENCY  
RATES**

This exhibit is a listing of agency rates by county.

August 1, 2008 Home Help Agency Rates								
County Number	County Name	New Agency Rate	County Number	County Name	New Agency Rate	County Number	County Name	New Agency Rate
1	Alcona	\$12.75	29	Gratiot	\$14.50	57	Missaukee	\$12.75
2	Alger	\$13.50	30	Hillsdale	\$14.50	58	Monroe	\$14.50
3	Allegan	\$12.75	31	Houghton	\$15.00	59	Montcalm	\$12.75
4	Alpena	\$13.50	32	Huron	\$12.75	60	Montmorency	\$14.00
5	Antrim	\$14.50	33	Ingham	\$13.75	61	Muskegon	\$14.50
6	Arenac	\$12.75	34	Ionia	\$12.75	62	Newaygo	\$12.75
7	Baraga	\$12.75	35	Iosco	\$14.50	63	Oakland	\$12.75
8	Barry	\$12.75	36	Iron	\$14.50	64	Oceana	\$15.00
9	Bay	\$13.50	37	Isabella	\$12.75	65	Ogemaw	\$14.50
10	Benzie	\$13.50	38	Jackson	\$14.50	66	Ontonagon	\$15.00
11	Berrien	\$12.75	39	Kalamazoo	\$14.50	67	Osceola	\$12.75
12	Branch	\$12.75	40	Kalkaska	\$14.75	68	Oscoda	\$12.75
13	Calhoun	\$14.50	41	Kent	\$15.50	69	Otsego	\$15.00
14	Cass	\$12.75	42	Keweenaw	\$15.00	70	Ottawa	\$12.75
15	Charlevoix	\$13.00	43	Lake	\$12.75	71	Presque Isle	\$13.25
16	Cheboygan	\$14.50	44	Lapeer	\$14.00	72	Roscommon	\$14.50
17	Chippewa	\$13.75	45	Leelanau	\$14.00	73	Saginaw	\$12.75
18	Clare	\$12.75	46	Lenawee	\$13.50	74	St. Clair	\$14.50
19	Clinton	\$14.50	47	Livingston	\$12.75	75	St. Joseph	\$14.50
20	Crawford	\$12.75	48	Luce	\$13.00	76	Sanilac	\$12.75
21	Delta	\$12.75	49	Mackinac	\$14.50	77	Schoolcraft	\$12.75
22	Dickinson	\$13.75	50	Macomb	\$14.25	78	Shiawassee	\$12.75

August 1, 2008 Home Help Agency Rates								
County Number	County Name	New Agency Rate	County Number	County Name	New Agency Rate	County Number	County Name	New Agency Rate
23	Eaton	\$14.50	51	Manistee	\$13.50	79	Tuscola	\$12.75
24	Emmet	\$13.00	52	Marquette	\$12.75	80	Van Buren	\$14.50
25	Genesee	\$12.75	53	Mason	\$15.00	81	Washtenaw	\$14.50
26	Gladwin	\$13.00	54	Mecosta	\$12.75	82	Wayne	\$13.00
27	Gogebic	\$12.75	55	Menominee	\$12.75	83	Wexford	\$12.75
28	Grand Traverse	\$14.50	56	Midland	\$13.00			

**MANUAL  
MAINTENANCE  
INSTRUCTIONS**

**Changed Items (content changes) ...**

**ASM 363**